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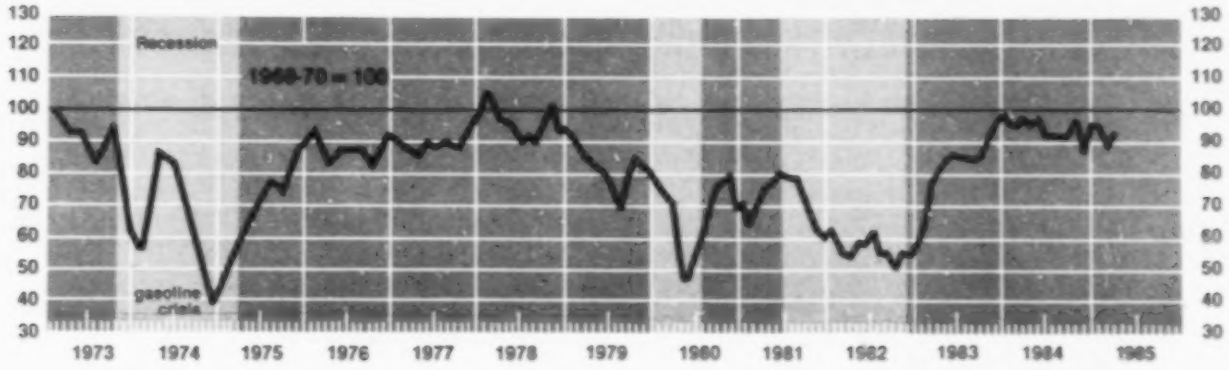
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

May, 1985



CONSUMER REGAIN CONFIDENCE BUT BUYING PLANS SOFTEN

The measure of consumer confidence, which declined sharply in March, registered a good, but less than full, recovery in April. The Board's Confidence Index (1969-70 = 100) now stands at 92.6, a gain of almost 5 points over the preceding month. Plans to buy, however, which were up moderately in March, declined rather substantially in April.

Consumers are now more positive in assessing the current situation than they were a month earlier. There has been an increase in those who now consider business conditions to be "good," and a decrease in those who report that jobs are "hard to get."

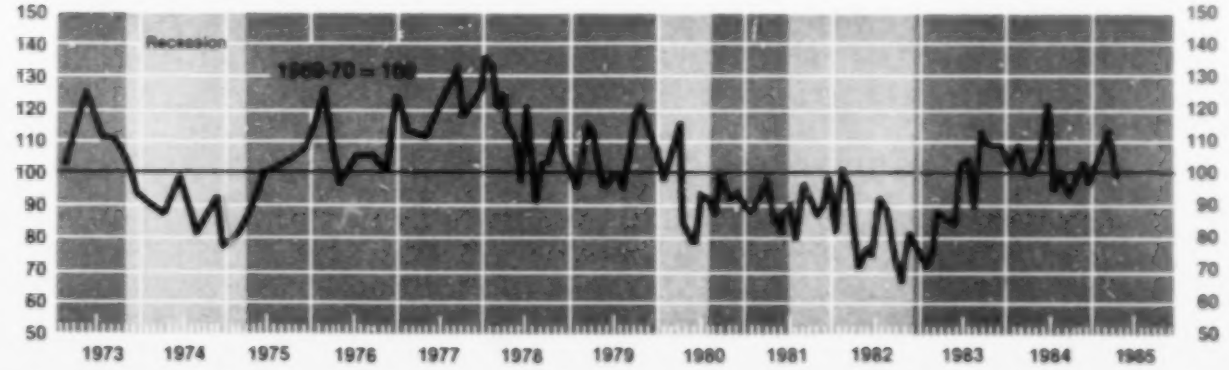
In looking ahead to the next six months, consumers are now somewhat more optimistic about the employment situation than in the previous survey. There was a small rise in the number expecting "more" jobs to be available, and a decline in those who fear that jobs will grow scarcer. Still, on both counts the level of optimism is a good deal lower than a year ago.

Despite the moderate improvements in the consumers' general mood, plans to buy are down. Intentions to purchase an automobile in the next months dropped to 7.8% of respondents, from 10.1% previously. Plans to buy a home edged off a bit after registering a sturdy gain in the preceding month, falling to 3.4% from 3.6% of all respondents. Interest in major appliances is also slightly weaker. Plans to buy declined to 25.7% of all those contacted, a loss of some three points for the month.

Although consumers were in better spirits in April than in March when confidence sagged—apparently in response to the Ohio banking crisis—the present level of optimism is still somewhat lower than in January and February. Consumer expectations are less positive now than they were earlier in the year, and considerably less positive than a year ago. This is rather disconcerting, since consumer expectations have an impressive record as a leading economic indicator. However, it is still difficult to interpret the most recent readings since events in Ohio may also have had a dampening effect on the consumers' mood in April.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1984 Apr.	May	Jun.	July	Aug.	Sept.	Oct.	Nov.	Dec.	1985 Jan.	Feb.	Mar. (r)	Apr. (p)
Composite Series, Index Numbers, 1969-1973 = 100													
Consumer Confidence Index	97.8	95.2	97.1	97.4	91.9	91.2	91.5	96.8	95.4	99.1	96.8	97.8	92.4
Present Situation	78.5	75.2	83.0	77.5	76.7	74.9	78.7	81.3	79.1	83.1	83.5	79.1	84.5
Expectations	114.3	112.4	109.5	114.1	103.3	104.0	103.7	110.7	109.4	113.4	109.4	113.9	100.0
Buying Plans Index	99.8	100.1	102.0	94.4	103.5	91.5	98.1	102.7	95.3	102.5	97.1	101.8	100.1
Appraisal of Present Situation: Percent													
Business Conditions													
Good	26.9	26.6	26.8	27.0	27.6	28.7	26.9	29.6	25.6	29.4	28.8	28.3	29.2
Bad	19.9	19.8	18.2	19.8	19.9	19.0	19.7	20.1	22.0	19.1	19.6	19.8	18.3
Normal	53.2	53.6	55.0	53.2	52.5	52.3	53.4	50.3	52.4	51.5	51.6	51.9	52.5
Employment													
Jobs plentiful	15.3	15.6	19.1	17.3	18.1	17.7	16.9	19.1	16.5	18.8	19.8	17.7	19.0
Jobs not so plentiful	48.9	51.2	50.7	49.9	49.0	49.3	49.9	47.8	48.5	50.9	49.4	49.1	51.0
Jobs hard to get	33.2	30.2	32.8	32.8	32.9	33.0	33.2	33.1	35.3	30.3	30.8	33.2	30.0
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	27.4	22.3	23.3	22.2	22.8	23.0	24.3	26.1	20.0	22.0	23.7	19.5	19.3
Worse	5.8	6.9	7.6	8.7	9.0	9.5	8.3	8.6	10.2	7.5	7.5	9.6	8.7
Same	66.8	70.8	69.1	69.1	68.2	67.5	67.4	65.3	69.8	70.5	68.8	70.9	72.0
Employment													
More jobs	20.2	17.8	17.1	16.5	16.7	16.2	18.5	19.2	16.4	17.9	17.2	14.3	15.2
Fewer jobs	11.4	12.2	13.3	15.8	15.2	16.0	16.8	13.7	17.2	14.3	13.7	16.7	15.1
Same	68.4	70.0	69.6	67.7	68.1	67.8	64.7	67.1	66.4	67.8	69.1	69.0	69.7
Income													
Increase	30.6	27.6	29.3	29.5	28.2	27.0	29.1	30.9	26.7	28.9	26.1	26.9	25.7
Decrease	6.8	6.2	6.1	7.6	7.5	7.5	8.6	6.8	7.9	8.2	7.7	7.9	6.8
Same	62.6	66.2	64.6	62.9	64.3	65.5	62.3	62.3	65.4	62.9	66.2	65.2	67.5
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.5	8.2	10.0	7.8	8.5	7.0	7.9	8.5	8.1	8.9	9.2	10.1	7.8
New	3.9	4.3	5.1	4.6	4.8	3.6	4.4	4.9	4.6	4.7	4.8	5.3	4.3
Used	3.0	3.2	3.3	2.5	2.8	2.3	2.8	2.7	2.6	2.8	3.1	3.6	2.8
Uncertain	1.6	0.7	1.6	0.7	0.9	1.1	0.7	0.9	0.9	1.4	1.3	1.2	0.7
Home													
Yes	3.1	3.7	3.6	3.0	3.3	3.4	3.3	3.1	2.9	3.2	3.1	3.6	3.4
New	0.9	1.0	1.3	1.0	0.9	1.1	1.1	1.0	1.2	0.8	0.9	0.8	0.9
Lived in	1.4	1.7	1.6	1.3	1.6	1.6	1.4	1.3	1.2	1.5	1.4	1.6	1.8
Uncertain	0.8	1.0	0.9	0.7	0.8	0.7	0.8	0.8	0.5	0.9	0.8	1.2	0.7
Major appliances													
Total plans	26.9	27.1	33.5	25.3	26.5	25.8	27.2	29.5	27.8	27.1	29.5	28.7	25.7
Refrigerator	3.7	3.9	5.0	4.1	4.0	4.1	3.5	4.5	4.2	3.5	3.8	3.9	3.6
Washing machine	3.2	3.6	4.0	2.8	3.4	3.3	3.3	3.9	3.9	3.7	3.6	3.9	4.2
Black and white TV	1.1	0.8	1.3	0.8	0.7	0.7	0.5	1.0	0.7	0.7	0.6	0.8	0.5
Color TV	7.7	7.0	8.4	6.1	7.7	7.0	7.5	7.8	7.0	7.3	8.1	7.6	7.1
Vacuum Cleaner	4.8	4.2	6.0	5.1	4.0	4.1	5.2	4.7	5.0	5.1	5.3	4.5	4.0
Range	2.3	2.4	3.0	2.3	2.6	2.9	2.3	2.9	2.5	2.3	2.9	2.6	2.0
Clothes dryer	2.7	3.2	3.3	2.7	3.0		3.4	3.2	2.9	3.2	3.4	3.2	3.0
Air conditioner	1.4	2.0	2.5	1.4	1.1	1.2	1.5	1.5	1.6	1.3	1.8	2.2	1.3
Carpet	5.9	6.8	8.5	6.2	6.9	6.3	6.9	7.4	7.0	5.8	7.8	7.0	7.2
Vacation Intended Within Six Months: Percent													
Vacation Intended			49.4		49.0		48.5		45.1		48.8		48.5
Destination													
Home state	8.7		9.9		9.5		10.5		7.2		9.6		9.0
Other state	32.6		34.9		33.7		33.6		31.6		33.7		33.7
Foreign country	7.6		6.7		7.5		6.3		6.8		7.1		6.2
Means of Travel													
Automobile	29.6		33.0		31.3		30.3		26.5		29.6		29.5
Airplane	18.6		17.6		17.3		17.3		17.9		19.3		20.2
Other	3.8		3.9		4.6		3.5		3.7		4.6		4.9

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.